

**BOULT  
CUMMINGS  
CONNERS  
& BERRY  
PLC**

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November 3, 2000

David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

**In Re: Complaint of Discount Communications against BellSouth  
Telecommunications  
Docket No. 00-00230**

Dear David:

Late yesterday afternoon, Discount Communications, Inc. ("Discount") filed in the Western District of Tennessee a voluntary petition for bankruptcy pursuant to Chapter 11 of the federal bankruptcy code. Mr. Neal Labovitz, a Memphis attorney representing Discount on the bankruptcy filing, faxed me a copy of the petition this morning. I have attached it to this letter.

According to Mr. Labovitz, the filing of the petition automatically stays any efforts by BellSouth to terminate service to Discount and, furthermore, gives the bankruptcy court exclusive jurisdiction over all claims by BellSouth against Discount.

As we discussed on the telephone this morning, Discount's filing makes it unnecessary for the Authority to take any action at this time to insure that Discount's customers will continue receiving service or to consider further any of the disputed issues between Discount and BellSouth.

I hope to have more information for the Authority concerning this matter by the time of the Authority's next public meeting on November 7.

Sincerely,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:

  
Henry Walker

HW/nl  
Attachment  
c: Guy Hicks

POSTED  
11-3-00

**FORM B1** United States Bankruptcy Court  
 Western District of Tennessee, Western Division  
**VOLUNTARY PETITION**

Name of Debtor (If individual, enter Last, First, Middle)  
**ATM\DISCOUNT COMMUNICATIONS, INC**

All Other Names used by the Debtor in the last 5 years  
 (include married, maiden, and trade names)  
**Discount Communications Inc**  
**Air Time Management Inc**

Soc. Sec. Tax ID No. (If more than one, state all)  
**62-1752111**

Street Address of Debtor (No. & Street, City, State & Zip Code)  
**3798 Park Avenue**  
**Memphis, TN 38111-6649**

County of Residence or of the  
 Principal Place of Business: **Shelby**

Maining Address of Debtor (if different from street address)  
**3798 Park Avenue**  
**Memphis, TN 38111-6649**

Location of Principal Assets of Business Debtor  
 (if different from street address above)  
**3798 Park Avenue**  
**Memphis, TN 38111-6649**

Information Regarding the Debtor (Check the Applicable Boxes)

Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.

There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

Type of Debtor (check any applicable box)  
 Individuals  
 Corporation  
 Partnership  
 Other

Nature of Debts (check one box)  
 Consumer Non-Business Debts  
 Business

Chapter 11 Small Business (check all boxes that apply)  
 Debtor is a small business as defined in 11 U.S.C. §101.  
 Debtor is and elects to be considered a small business under 11 U.S.C. §101(e)(optional)

Filing Fee (check one box)  
 Full Filing Fee attached  
 Filing Fee to be paid in installments. (Applicable to individuals only.) Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. (Rule 1009(b). See Official Form No. 3.)

Chapter or Section of Bankruptcy Code Under Which the Petition is Filed (check one box)  
 Chapter 7  
 Chapter 11  
 Chapter 12  
 Chapter 13  
 Sec. 501 - Case Amended to Foreign Proceeding

Statistical/Administrative Information (Estimates Only)

Debtor estimates that funds will be available for distribution to unsecured creditors.  
 Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.

Estimated Number of Creditors  
 1-15  16-25  26-50  51-100  101-200  200-500  500-1000  1000-2000  2000-5000  More than 5000

Estimated Assets  
 0  1-100  100-1000  1000-10000  10000-100000  100000-1000000  1000000-10000000  10000000-100000000  More than 100000000

Estimated Liabilities  
 0  1-100  100-1000  1000-10000  10000-100000  100000-1000000  1000000-10000000  10000000-100000000  More than 100000000

THIS SPACE IS FOR COURT USE ONLY

FILED  
 SPECIAL AGENT  
 WESTERN DISTRICT OF TENN.  
 NOV 03 2000  
 17:41

CLERK OF COURT  
 WESTERN DISTRICT OF TENN.

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Voluntary Petition

(This page must be completed and filed in every case.)

Location

Where Filed:

Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheets)

Name of Debtor:

Relationship:

Signatures

Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct. [If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7, I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, and have chosen the relief available under each such chapter, and choose to proceed under chapter 7. I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.]

X

Signature of Debtor

X

Signature of Joint Debtor

Telephone Number (if not represented by attorney)

Date

Signature of Attorney

X

Signature of Attorney for Debtors

Neal H. Labovitz #17381393-DWD

Printed Name of Attorney for Debtors

Neal H. Labovitz Attorney At Law

Firm Name

915 Ferncliff Cove, Ste 1B

Address

Southaven, MS 38671

(662) 342-7957

Telephone Number

November 2, 2000

Date

Exhibit A

(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934) and is requesting relief under chapter 11.)

Exhibit A is attached and made a part of this petition.

Exhibit B

(To be completed if debtor is an individual whose debts are primarily consumer debts.) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that he or she may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, and have explained the relief available under each such chapter.

X

Signature of Attorney for Debtors

Date

Name of Debtor(s) ATM\DISCOUNT COMMUNICATION

Prior Bankruptcy Case Filed Within Last 8 Years (Ignore (non-me, attached additional sheets)

Where Filed: (Case Number):

Name of Debtor: (Case Number):

Relationship:

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor. (The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.)

X

Signature of Authorized Individual

Morris Harris Sr.

Printed Name of Authorized Individual

President

Title of Authorized Individual

November 2, 2000

Date

Signature of Non-Attorney Petition Preparer

I certify that I am a bankruptcy petition preparer as defined in 11 U.S.C. §119, that I prepared this document for compensation, and that I have provided the debtor with a copy of this document.

Printed or Typed Name of Bankruptcy Petition Preparer

Social Security Number

Address

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document. If more than one person prepared this document, attach additional signed sheets conforming to the appropriate official form for each person.

X

Signature of Bankruptcy Petition Preparer

Date

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy may result in fines or imprisonment or both. 11 U.S.C. §110; 18 U.S.C. §156.

United States Bankruptcy Court  
Western District of Tennessee, Western Division

IN RE

ATM\DISCOUNT COMMUNICATIONS, INC  
Discount Communications Inc  
Air Time Management Inc  
3798 Park Avenue  
Memphis, TN 38111-6649

DEBTOR(S)

Case No. \_\_\_\_\_

Chapter 11

VERIFICATION OF CREDITOR MATRIX

The above named debtor hereby verifies that the attached matrix listing creditors is true to the best of my knowledge.

\_\_\_\_\_  
Date: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Date: 11/02/2000  
Signature: Neal H. Labovitz  
Title: Attorney

ATMISDISCOUNT.COMMUNICATIONS, INC

3798 Park Avenue  
Memphis, TN 38111-6619

Neal H. Labovitz  
Attorney At Law  
915 Fernhill Cove, Ste 113  
Southaven, MS 38871

Bell South Telecommunication

Patrick W. Turner  
333 Commerce Street  
Nashville, TN 37201-3900

McBee

Catherine Saunders  
P.O. Box 4270  
Athens, OH 45701-4270

Office Depot  
P.O. Box 30292  
Salt Lake City, UT 84130-0292

Office Max  
Janel Hancock  
P.O. Box 30292  
Salt Lake City, UT 84130-0292

Rossman & Company

G. Reynolds  
P.O. Box 29017  
Columbus, OH 43229-7517

The Home Depot  
P.O. Box 105991 Dept 24  
Atlanta, GA 30348-5991

The Home Depot (TR)

GE Capital Financial Inc.  
P.O. Box 9707  
Macon, GA 31297

US LEC Corp  
P.O. Box 601310  
Charlotte, NC 28260-1310